

# FinTech



**Mitä pöhinän jälkeen?**

**19.05.2021**



# Mikko Riikkinen

Doctoral researcher

## Who is

Mikko is well-known within the FinTech scene and has a broad experience in digital banking. Currently he is finishing up his dissertation at Tampere University. Over the past years Mikko has been talking to thousands of people about FinTech phenomenon around Europe as well as consulted dozens of companies within the industry.



### Background

10y+ banking 15y+ startups,  
KTM, Doctoral researcher



### Skills

Digital banking, Value creation,  
FinTech, start-ups, innovations



### Connect

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[Linkedin.com/in/riikkinen](https://www.linkedin.com/in/riikkinen)

# Quick rewind back to 2015

"FINTECH WILL DISRUPT EVERYTHING!"

**Nordean von Koskull: Pankkialalta katoavat työt eivät tule takaisin**

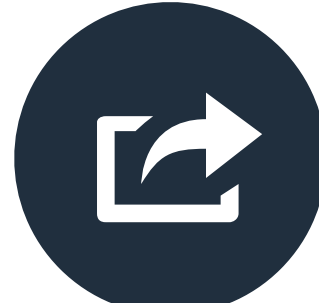
**OP:n Karhinen HBL:ssä: Vuodenvaihteen jälkeen Alibaba ja Facebook uhkaavat pankkeja toden teolla**



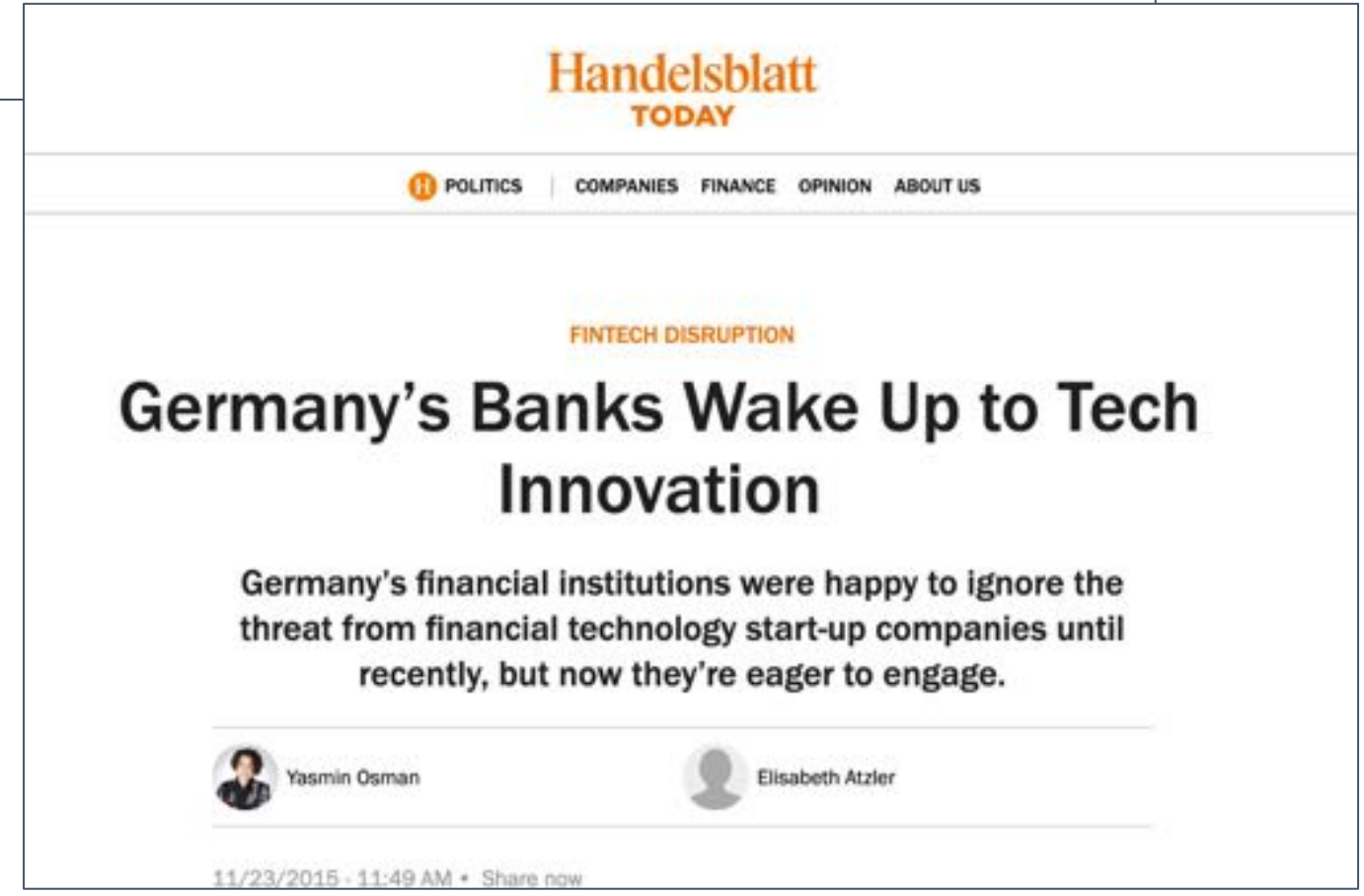
**API**  
Application Programming Interfaces opened



**Artificial intelligence**  
Use of AI becomes mainstream



**Smartphones**  
First iPhone launched already 15 years ago



**PSD2**  
Payment Service Directive implemented in 2019



**GDPR**  
General Data Protection Regulation implemented in 2018



**MiFID II**  
MiFID II/MiFIR entered into force on 3 January 2018

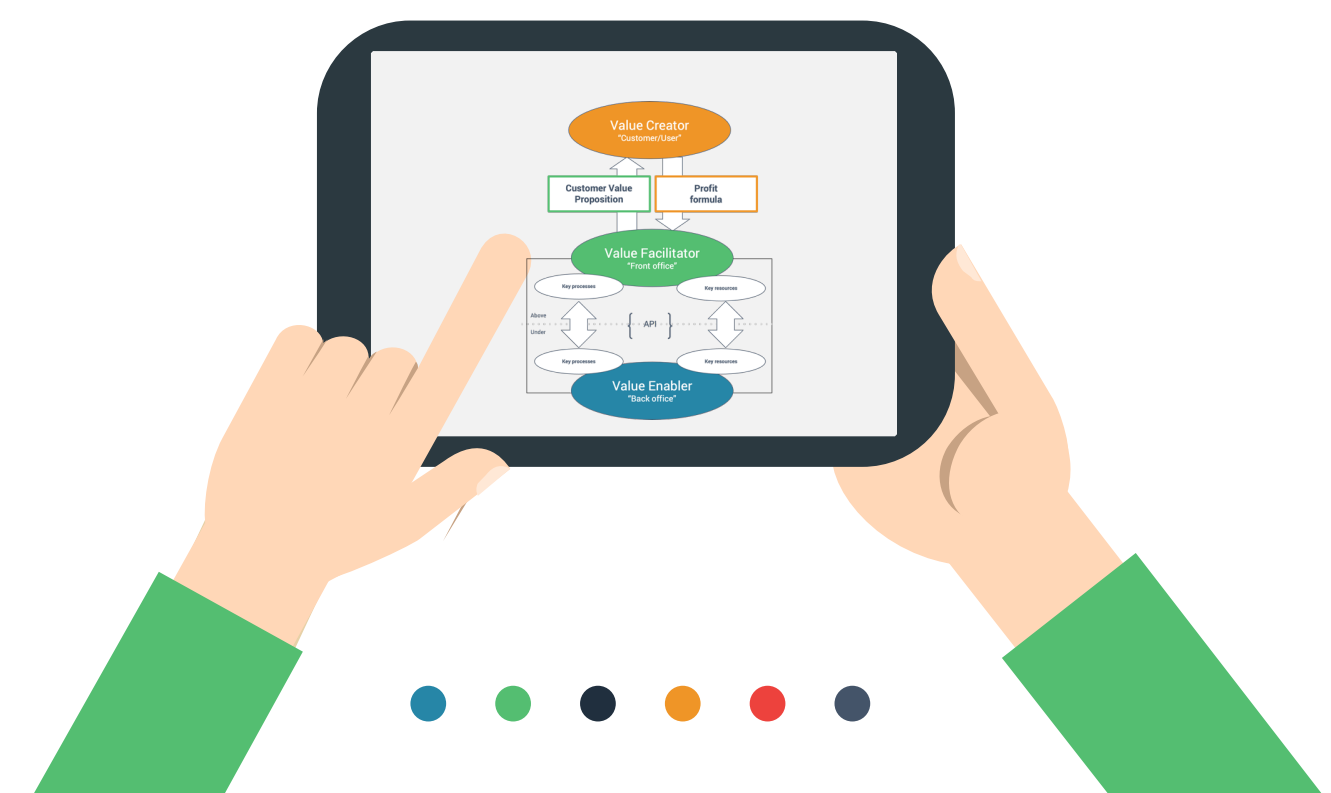


# Purpose

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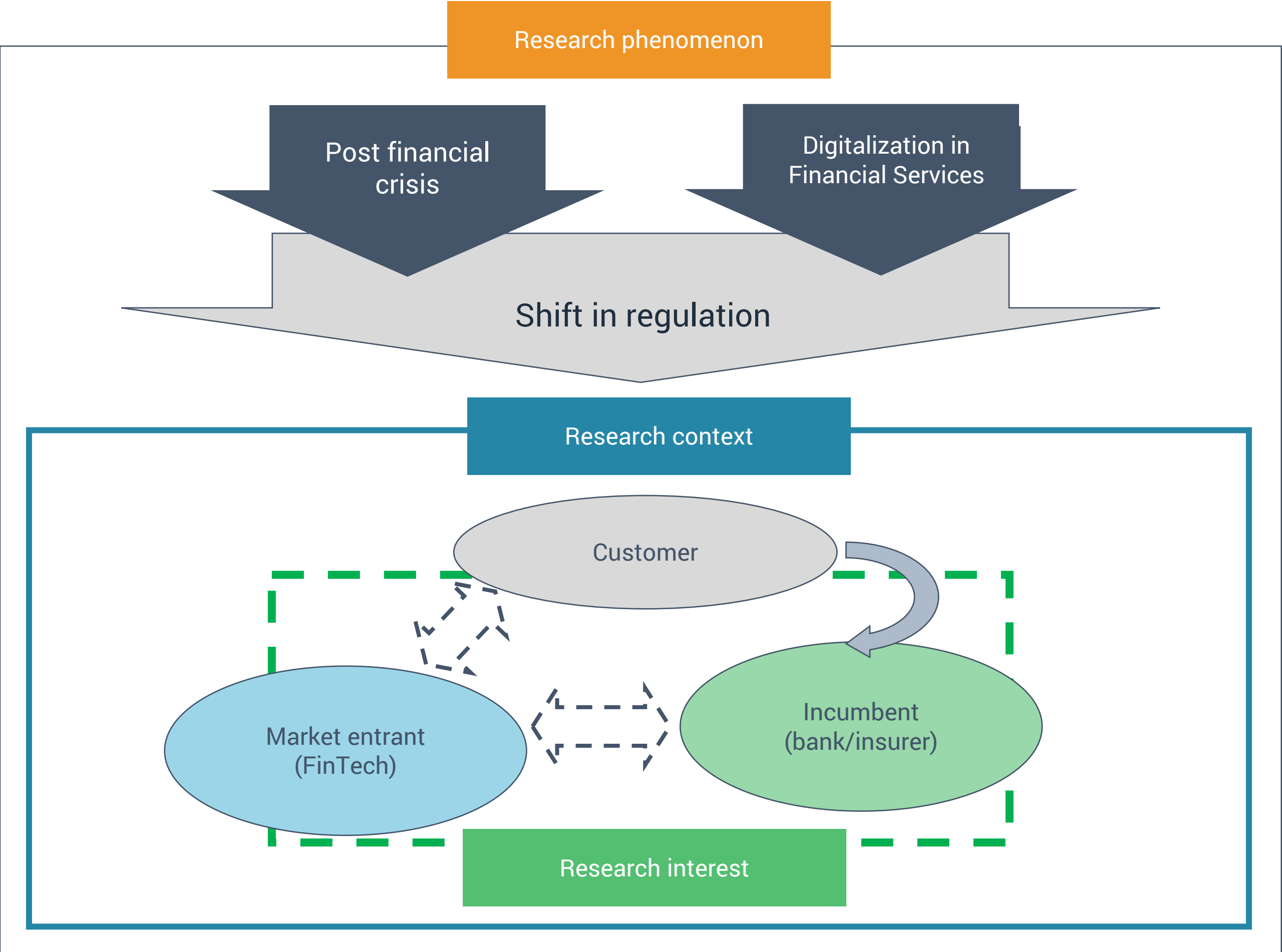
of the dissertation

..is to understand how *digitalization* and *regulation* are reconfiguring *value creation* in Financial Services.



# What was studied?

## Background



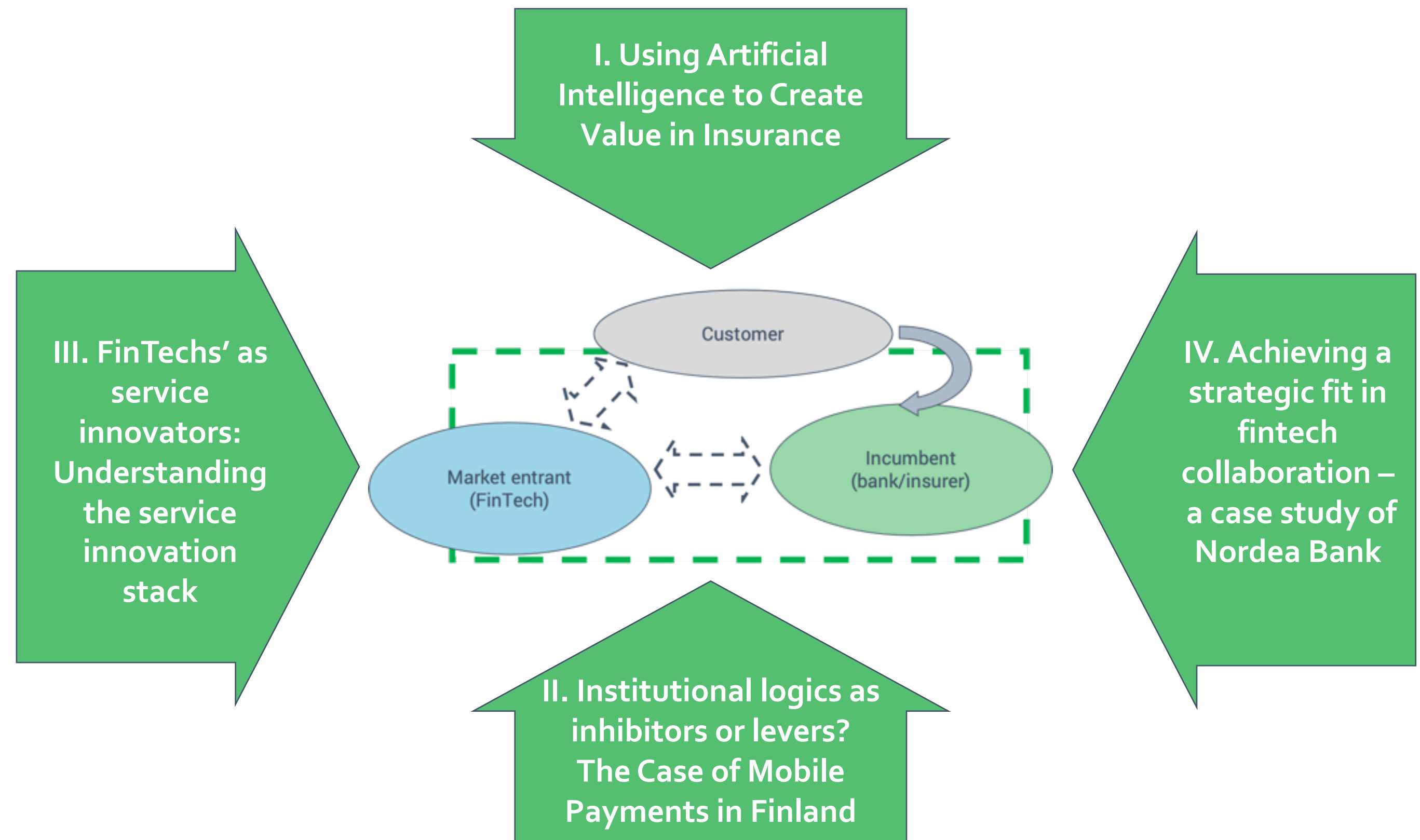
# Creating understanding through perspectives

## FinTech phenomenon

### An article-based dissertation

**4** Articles function as pillars of the research to shed light on what is FinTech beneath the surface.

Article I took the “technology” approach to understand what use of Artificial intelligence means for insurance services. This led to matrix model which can be used further to map the use of AI and value for customer. In article II, the context was mobile payments and observing it from the market entrant’s perspective (Wolt) and from the incumbent’s perspective. In article III, the service innovation was observed from market entrant’s perspective (10 FinTech start-ups) and further analyzed to building blocks. In contradiction to III, in article IV the incumbents’ (Nordea) way of organizing was studied, again using the case analysis. All these four articles combined created a more holistic understanding of what is changing and what is just a “buzz”.



I. Riikkinen, M., Saarijärvi, H., Sarlin, P., & Lähteenmäki, I. (2018). Using artificial intelligence to create value in insurance. *International Journal of Bank Marketing*.

II. Riikkinen, M., Lähteenmäki, I. & Nätti, S. (2018) Institutional logics as inhibitors or levers? The Case of Mobile Payments in Finland. *Marketing and Mobile Financial Services - A Global Perspective on Digital Banking Consumer Behaviour*

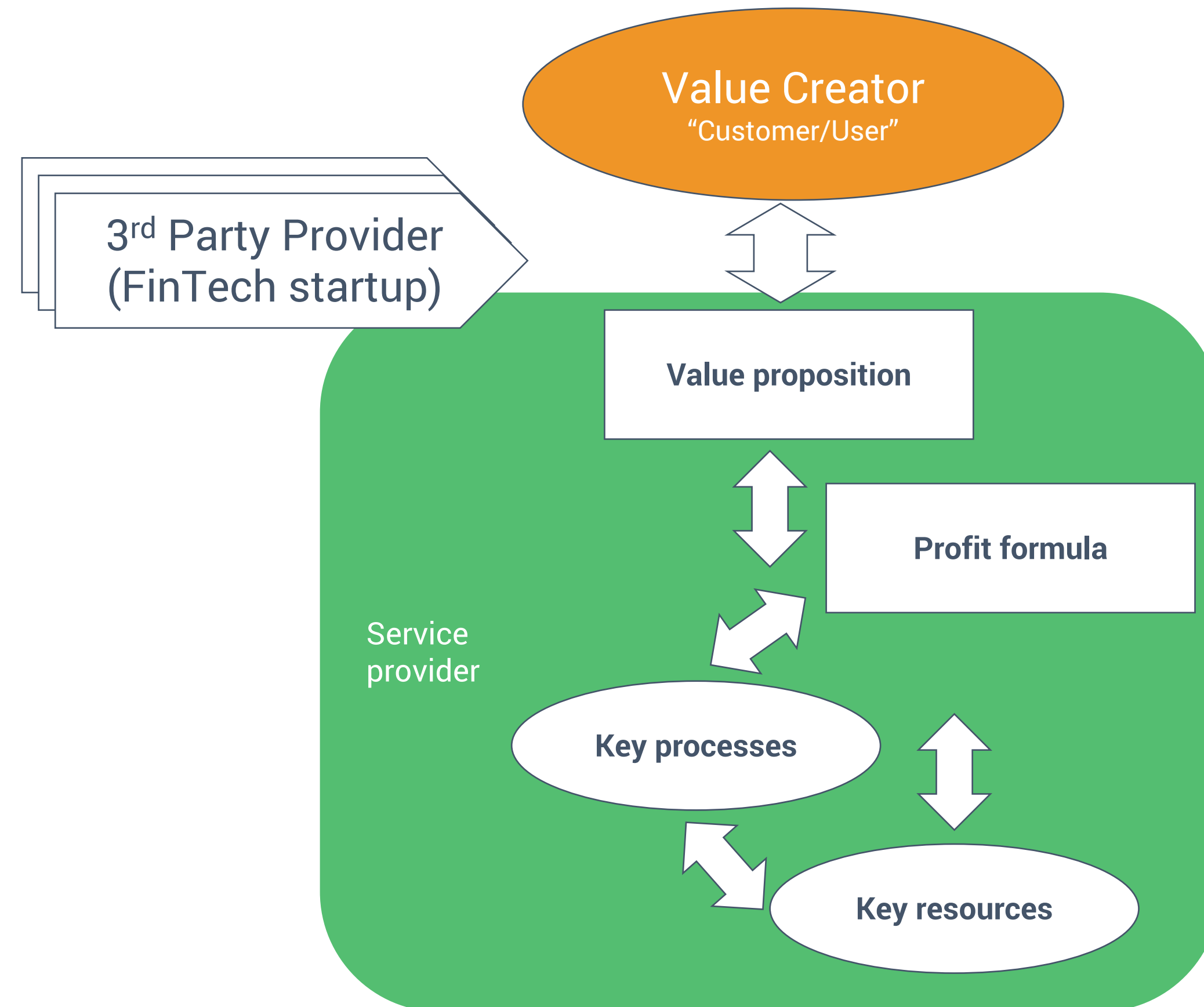
III. Riikkinen, M., Saraniemi, S., & Still, K. (2019). FinTechs as Service Innovators-Understanding the Service Innovation Stack. *International Journal of E-Business Research (IJEER)*, 15(1), 20-37.

IV. Riikkinen, M. & Pihlajamaa, M. (2021). Achieving a strategic fit in fintech collaboration – a case study of Nordea Bank, in review.



# Theoretical framework for the research

Business Model Elements (Johnson et al., 2008)



# The synthesis of the research

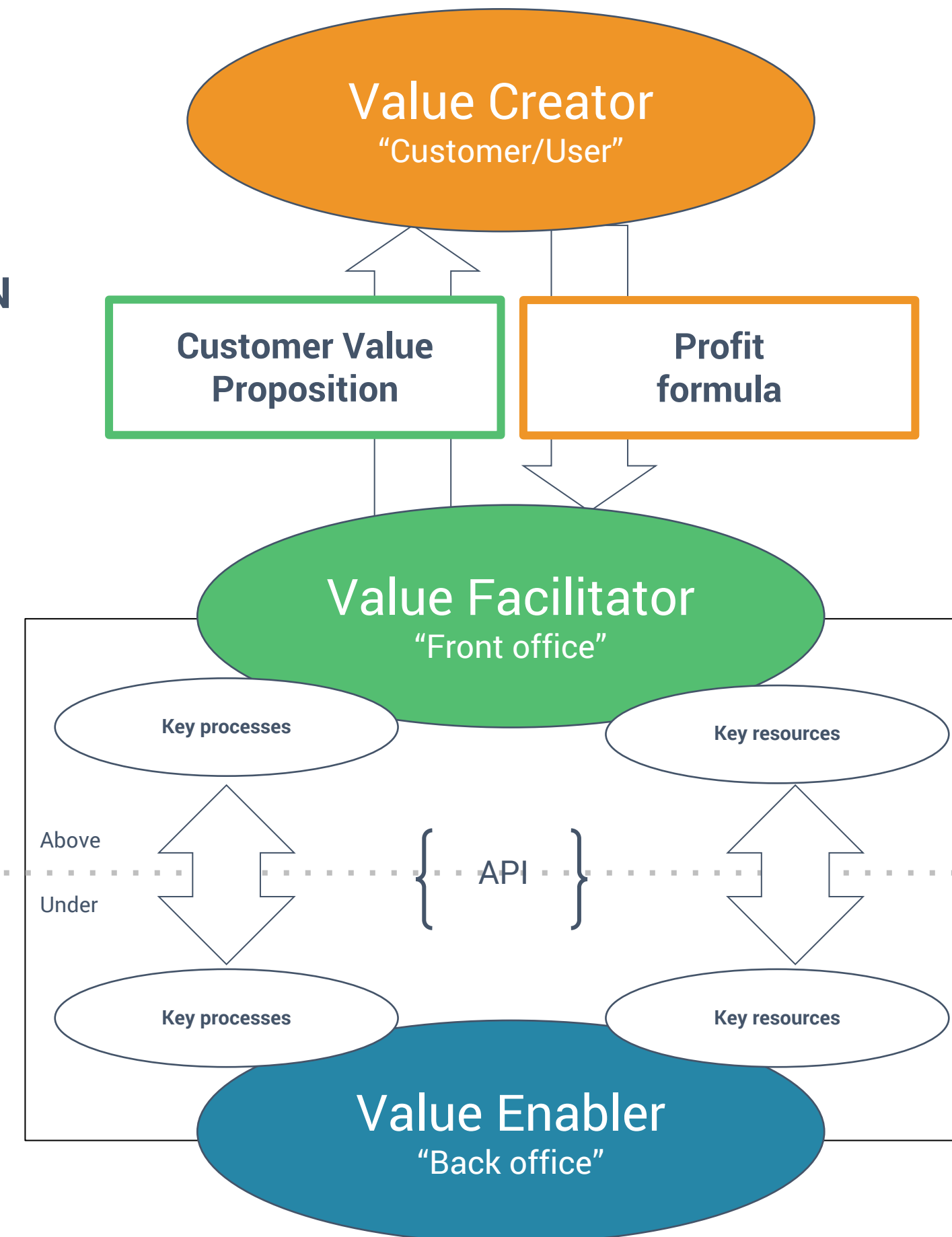
Work in progress (Riikkinen's Dissertation 2021)

**CUSTOMER VALUE PROPOSITION** is formed by combining the processes and resources of the *Facilitator* and the *Enabler* using APIs.

**PROFIT FORMULA** is formed by the *Facilitator*, however it needs to be in balance and aligned with the *Key Processes* and *Resources* invested by the *Enabler*.

**KEY PROCESSES** are combined using API technology supported by regulation

**KEY RESOURCES** are combined using API technology supported by regulation



\*Reconfigured from Johnson et al (2008) and Grönroos and Voima (2013)





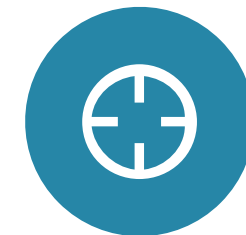
# Conclusions

Work in progress (Riikkinen's Dissertation 2021)

## Theoretical contributions

### Roles are divided

Until now one provider has facilitated and enabled the value creation, (Grönroos, 2009) future is divided



### Resources and processes

Due the API technology resources as data is not an asset of the service provider but instead a liquid



### API centric

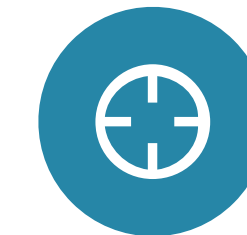
Every market player needs to choose their role either under or over the API and only through the reconfigured process, the financial service providers can create a platform for value co-creation (Grönroos 2012)



## Managerial implications

### Identify your role

Understand if you are under or over the API



### Know yourself

People who work in marketing try to get the best attention of all targeting with buying and selling



### 1<sup>st</sup> Business, then tech

Figure out first what the relevant value proposition is for the customer and then what technology is needed to deliver it

